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C O N F I D E N T I A L SECTION 01 OF 02 ANKARA 000889

SIPDIS

NEA/I/ECON FOR KEVIN TAECKER

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TAGS: [EAID](#) [ECON](#) [EFIN](#) [IZ](#) [PGOV](#) [PREL](#) [TU](#)

SUBJECT: TURKEY: INT'L COMPACT WITH IRAQ MINISTERIAL

REF: SECSTATE 43799

Classified By: ECONOMIC COUNSELOR DALE EPPLER FOR REASONS 1.4 (B) AND (D)

¶1. (U) This cable responds to reftel demarche request.

¶2. (C) Summary. On May 2, we met with MFA Department Head for Iraq Aydin Selcen to discuss Turkey's support for the upcoming International Compact with Iraq (ICI) Ministerial to be held in Stockholm, Sweden on May 29. Selcen was quick to note Turkey's long track record of support for Iraq and stressed that ICI was only one of many multilateral and bilateral fora in which Turkey engages to provide support for Iraq. (See para 7 for a detailed list of Turkey's political, economic and humanitarian support for Iraq.) Selcen confirmed that Foreign Minister Babacan will attend the Ministerial and inquired whether a bilateral meeting with Secretary Rice would be possible. On the issue of Turkey's debt to Iraq, he cautiously noted that discussions are underway at the highest levels to forgive the USD two billion debt. End summary.

¶3. (C) We communicated reftel points to MFA Department Head for Iraq Aydin Selcen on May 2. On the spot, he called to Foreign Minister Babacan's office and confirmed the Minister's participation at ICI. Selcen noted that Babacan and Rice had missed an opportunity for a bilateral at the April 22 Iraq Neighbors Ministerial in Kuwait and asked whether a bilateral meeting might be possible at the ICI in Stockholm.

¶4. (SBU) In addition to reftel points, we told Selcen that the ICI Ministerial would provide an excellent opportunity for Turkey to highlight to the international community its numerous on-going commitments to Iraq as well as make new pledges of assistance. Selcen said the GOT already is one of the most active and committed supporters of Iraq among countries in the region and is working hard to make good on earlier pledges of support. In particular, he mentioned a recent evaluation team trip to Iraq to develop concrete proposals for assistance to be used against the USD 50 million pledge Turkey made at the 2003 Madrid Donor's Conference. Selcen said the team had drafted over 129 projects and that the GOT was in the midst of prioritizing them. He said the focus for the assistance would be at the community level in Kirkuk, Mosul, Basra and Baghdad. According to information provided by MFA Iraq Desk Economic Officer Ozge Kaya, Turkey has earmarked or spent more than 20 percent of the USD 50 million pledged at the Madrid Conference. Selcen also highlighted Turkey's leadership role in the International Reconstruction Fund for Iraq (IRFFI). Turkey has increased its contribution to USD 10 million and is a member of the Donors Committee.

¶5. (C) Turning to Iraq's debt to Turkey (USD two billion), Selcen said the issue is being considered at the highest levels of government and that the MFA has recommended to the

Treasury that the debt be forgiven. Describing the Treasury's position, Selcen said he perceived a new flexibility in their approach but added that debt forgiveness would require IMF approval, since it would have a negative impact on Turkey's budgetary situation and he was unsure whether the GOT would be able to obtain this approval.

¶6. (C) Comment: Debt forgiveness for Iraq would likely buy considerable good will in Baghdad and accelerate Turkey-Iraq economic cooperation. Turkey is planning a series of high-level visits to Iraq, culminating in likely visits by both the Prime Minister and the President. The GOT might prefer to make an announcement on debt forgiveness as a deliverable for one of these high-level meetings rather than at the upcoming ICI Ministerial. End comment.

¶7. (U) Below is a condensed version of the MFA's list of Turkish support for Iraq.

Political Support and Training

-- Training programs for Iraq's political parties. Over 500 Iraqi politicians from all ethnic and sectarian backgrounds have attended.

--Training programs for Iraqi diplomats at Turkish Ministry of Foreign Affairs Academy (63 Iraqi diplomats trained)

--Proposal to train Iraqi Security Forces (ISF-Iraqi Army and Police) in Turkey, proposal to assist the restructuring of ISF.

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--NATO Training Mission in Iraq, NTM-I. (89 Iraqi military personnel attended courses in Turkey. 4 Turkish officers serving at NTM-I Headquarters in Baghdad).

--Turkey is the conceptual founder of the Iraq Neighbors Process. Ten official and three unofficial Ministerial meetings have taken place.

--Under the Neighbors Process, Turkey hosted two Energy Working Group Meetings on June 28-29, 2007 and March 2-3, ¶2008.

--The Iraq Neighbors Process also led to three meetings of Iraqi and Turkish Ministers of Interior and signing of a protocol on security cooperation.

Economic and Humanitarian Assistance

--In response to the UN's urgent appeal after the secession of military operations, Turkey donated one million dollars.

--Humanitarian aid from Turkey to Iraq since 2003 exceeds 5.4 million dollars.

--At the 2003 Madrid Donor's Conference, Turkey pledged 50 million dollars to assist Iraq's reconstruction. Over 20% of this pledge has been earmarked or realized.

--Turkey donated 1.2 million dollars to the International Reconstruction Fund for Iraq(IRFFI). Turkey increased its contribution to 10 million dollars and is now a member of the Donors Committee.

--At the time of a cholera outbreak in Northern Iraq, Turkey provided 900 kg. of chlorine tablets for Iraq, and medical and food materials weighing 105 tons were sent to Kirkuk through Turkish Red Crescent Society.

--Turkey provides 275 mw/h electricity to Iraq. Plans are underway to increase this to 1200 mw/h, one quarter of

Iraq's electricity requirement.

--Turkey is the main provider of Iraq's refined oil product needs, with 90 percent of northern Iraq's refined oil product supply coming from Turkey.

Assistance to Refugees

--A contribution in the amount of USD 500,000 was made to the United Nations High Commission for Refugees (UNHCR) for Iraqi refugees in Syria.

--Turkey pledged USD 2.5 million during the UNHCR Conference in Geneva on 17-18 April 2007 for the improvement of living conditions of Iraqi refugees in Jordan and Syria.

Educational Exchanges

--30 students of Baghdad University, Department of Turkish Language and Literature, were hosted in Turkey for summer school at Erciyes University in July and August 2007.

--30 Iraqi Turkmen teachers attended training courses on "Turkish education, Turkish culture and national education system" from July 30 to September 14, 2007.

- During a December 2007 visit to Turkey, a Memorandum of Understanding was signed between Bilkent University and Mosul University for academic cooperation in 2008.

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